

## Message Text

CONFIDENTIAL

PAGE 01 PANAMA 01678 262141 Z

64

ACTION ARA-17

INFO OCT-01 ADP-00 BNDD-05 CIAE-00 INR-09 IO-12 JUSE-00

NSAE-00 RSC-01 SNM-02 SY-07 TRSE-00 USIA-12 NSC-10

SCI-06 OMB-01 H-02 SS-14 PA-03 PRS-01 AID-20 PM-09

RSR-01 /133 W

----- 024873

R 262048 Z MAR 73

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 6993

INFO AMEMBASSY BUENOS AIRES

C O N F I D E N T I A L PANAMA 1678

E. O. 11652: GDS

TAGS: SNAR, PN

SUBJ: NARCOTICS: STEELE AND MURPHY REPORT

REF: STATE 052090

SUMMARY: REPORT NOTES SOLID EMBASSY ACHIEVEMENTS IN NARCOTICS CONTROL. CRITICISM OF EMBASSY NARCOTICS CONTROL EFFORT CONTAINED IN MURPHY- STEELE REPORT IS AT VARIANCE WITH MURPHY'S STATEMENT TO ME THAT EMBASSY EFFORTS WERE GOING WELL AND THAT HE HAD NO RECOMMENDATIONS FOR IMPROVEMENT. CRITICISM IN REGARD TO BICKERING AND BUREAUCRATIC JEALOUSIES, ESPECIALLY IN LIGHT OF STATE-MENT THAT CUSTOMS AND BNDD OFFICIALS WORK WELL TOGETHER, MAY RESULT FROM IMPRESSION CODEL RECEIVED DURING SESSION OF NARCOTICS CONTROL COMMITTEE DURING WHICH COORDINATING PROBLEMS BETWEEN CANAL ZONE GOVERNMENT AND USSOUTHCOM SURFACED. CODEL WAS APPARENTLY UNDER MISAPPREHENSION THAT I HAVE COORDINATING AUTHORITY OVER CZ ENTITIES AND SHOULD HAVE RECONCILED THEIR DIFFERENCES FOR THEM. LIMIT OF MY AUTHORITY IS, OF COURSE, ONLY TO EXCHANGE INFO WITH THEM TO FACILITATE SUCH EXCHANGE I RECEIVED IN FEBRUARY PRC AGREEMENT TO ESTABLISHMENT OF PRC SUBCOMMITTEE ON NARCOTICS. END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 01678 262141 Z

1. REPORT RECORDS SOLID EMBASSY ACHIEVEMENTS IN US- PANAMANIAN COOPERATION FOR NARCOTICS CONTROL AND IN STRENGTHENING GOP NARCOTICS CONTROL CAPABILITY. CRITICISM OF EFFECTIVENESS OF US EMBASSY NARCOTICS CONTS WILLINGNESS TO ACCEPT THE SAFEGUARD ACTION FOR ONE YEAR. NOW THAT THE ONE YEAR PERIOD HAS EXPIRED AND ARGENTINA IS STILL APPLYING THE 70 PERCENT TARIFF, THE BRAZILIAN ELECTRONICS INDUSTRY HAS RAISED THE ISSUE AND IS PRESSING THE GOB TO TAKE RETALIATORY ACTION.

2. CONVERSATIONS WITH FONOFF OFFICIALS INDICATE THE GOB IS IN A QUANDRY OVER WHAT TO DO ABOUT THIS PROBLEM. THEY BELIEVE ARGENTINA IS IN CLEAR VIOLATION OF LAFTA RULES BUT WOULD LIKE TO AVOID ACTIONS THAT COULD EXACERBATE THEIR ALREADY PRICKLY ECONOMIC RELATIONS WITH ARGENTINA. THE ECONOMIC IMPORTANCE TO BRAZIL OF THESE CONDENSER EXPORTS IS NOT GREAT - TOTAL SHIPMENTS SINCE THE CONCESSIONS WERE GRANTED AMOUNT TO ONLY \$520,000 AND THE COMPANIES DIRECTLY INVOLVED ( PHILIPS AND SIEMENS) ARE NOT DEPENDENT ON THIS BUSINESS. FONOFF OFFICIALS STILL HOPE AN AMICABLE SOLUTION CAN BE FOUND AND HAVE TOLD US THERE IS A POSSIBILITY THAT THE GOA MAY BE WILLING TO GIVE AN OPERATING SUBTBIDY TO THE ARGENTINE PRODUCER AND LOWER THE IMPORT TARIFF TO A LEVEL THAT PERMITS BRAZILIAN COMPANIES TO RE- ENTER THE MARKET.  
ROUNTREYD

LIMITED OFFICIAL USE

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptoning:** X

**Capture Date:** 01 JAN 1994

**Channel Indicators:** n/a

**Current Classification:** UNCLASSIFIED

**Concepts:**

**Control Number:** n/a

**Copy:** SINGLE

**Draft Date:** 26 MAR 1973

**Decaption Date:** 01 JAN 1960

**Decaption Note:**

**Disposition Action:** RELEASED

**Disposition Approved on Date:**

**Disposition Authority:** elyme

**Disposition Case Number:** n/a

**Disposition Comment:** 25 YEAR REVIEW

**Disposition Date:** 28 MAY 2004

**Disposition Event:**

**Disposition History:** n/a

**Disposition Reason:**

**Disposition Remarks:**

**Document Number:** 1973PANAMA01678

**Document Source:** CORE

**Document Unique ID:** 00

**Drafter:** n/a

**Enclosure:** n/a

**Executive Order:** GDS

**Errors:** n/a

**Film Number:** n/a

**From:** PANAMA

**Handling Restrictions:** n/a

**Image Path:**

**ISecure:** 1

**Legacy Key:** link1973/newtext/t19730337/aaaaighj.tel

**Line Count:** 93

**Locator:** TEXT ON-LINE

**Office:** ACTION ARA

**Original Classification:** CONFIDENTIAL

**Original Handling Restrictions:** n/a

**Original Previous Classification:** n/a

**Original Previous Handling Restrictions:** n/a

**Page Count:** 2

**Previous Channel Indicators:**

**Previous Classification:** CONFIDENTIAL

**Previous Handling Restrictions:** n/a

**Reference:** 73 STATE 052090

**Review Action:** RELEASED, APPROVED

**Review Authority:** elyme

**Review Comment:** n/a

**Review Content Flags:** ANOMALY

**Review Date:** 16 JAN 2002

**Review Event:**

**Review Exemptions:** n/a

**Review History:** RELEASED <16-Jan-2002 by willialc>; APPROVED <04-Feb-2002 by elyme>

**Review Markings:**

Declassified/Released

US Department of State

EO Systematic Review

30 JUN 2005

**Review Media Identifier:**

**Review Referrals:** n/a

**Review Release Date:** n/a

**Review Release Event:** n/a

**Review Transfer Date:**

**Review Withdrawn Fields:** n/a

**Secure:** OPEN

**Status:** <DBA CORRECTED> jms 971224

**Subject:** NARCOTICS: STEELE AND MURPHY REPORT

**TAGS:** SNAR, PN

**To:** ARA

BUENOS AIRES

SECSTATE WASHDC

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005